WEEKLY ECONOMIC REVIEW

April 28, 2006

The Alberta economy turned in an outstanding performance during 2005, according to Statistics Canada's provincial economic accounts released on Wednesday. The preliminary estimate for Alberta's real GDP growth was 4.5 per cent in 2005, in line with Alberta Finance's Budget 2006 forecast of 4.3 per cent. Alberta had the highest growth among the provinces and was 1.6 percentage points above the national average. Only two other provinces, British Columbia at 3.5 per cent and Saskatchewan at 3.2 per cent, outpaced the Canadian average growth of 2.9 per cent. Alberta also enjoyed the highest per capita personal disposable income at $28,672, 19 per cent above the national average.

The U.S. economy rebounded to an annual rate of 4.8 per cent in the first quarter of 2006, after rising 1.7 per cent in the fourth quarter.

The Bank of Canada raised its key interest rate 25 basis points to 4 per cent this week, its sixth consecutive increase. With the Canadian economy operating "at, or just above, its production capacity" and higher energy prices keeping overall inflation in Canada above the Bank's 2 per cent target, the Bank is likely to continue to raise interest rates over the coming months. Meanwhile, U.S. Federal Reserve Board chairman Ben Bernanke suggested that after one more rate increase on May 10th, the central bank may take a break from a rate raising campaign.

Cdn Dollar (C¢/US$)

Apr 28, 2006	89.3¢
Apr 21, 2006	87.9¢
2006-07 YTD	87.4¢

WTI Oil SUS/bbl

Apr 27, 2006	$70.97
Apr 20, 2006	$71.95
2006-07 YTD	$70.07

Nymex Natural Gas CS/mcf*

June Contract

Apr 28, 2006	$7.63
Apr 21, 2006	$8.97

*Estimate based on Nymex Futures Market Price

The divergent signals from Canada and the United States pushed up the Canadain dollar to over 89 cents US, the highest level in more than 14 years.

The Canadian government has finally reached a softwood lumber agreement with the United States on April 27, 2006. The agreement incudes a 34 per cent cap on Canada's share of the U.S. market for softwood lumber and a sliding export tax on Canadain lumber. The U.S. will refund $4 billion of the $5 billion in duties that it has collected on Canadian lumber imports.

Oil prices retreated from last week's record highs, but remained above US$70/bbl on reports of slower growth in U.S. gasoline demand and prospects of weakening energy demand in China. China raised interest rates by 27 basis points to 5.85 per cent in an attempt to cool its economy, which grew at an annual rate of 10.2 per cent in the first quarter of 2006.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Average Weekly Earnings	**February**			
Alberta	794.72	0.5%	5.1%	5.1%
Canada	745.88	0.1%	4.6%	4.8%

Source: Statistics Canada

[1]Year-to-date 2006 compared to the same time period in 2005. For example: January-February 2006 versus January-February 2005